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July 21, 2004

Marlene H. Dortch, Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street, S.W., TW – B204F  
Washington, DC 20554

Re: **Notice of Ex Parte Communication**  
In the Matter of The Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996  
CC Docket No. 96-128

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Dear Ms. Dortch:

AT&T Corp. ("AT&T") hereby submits this written *Ex Parte* to further clarify AT&T's previous *Ex Parte*, dated June 30, 2004, filed in the above captioned proceeding.<sup>1</sup>

On May 27, 2004, AT&T filed an *Ex Parte* describing a process by which it will pay payphone compensation to payphone service providers ("PSPs") for all delivered payphone calls (completed and not completed) on behalf of certain of its switched-based reseller ("SBR") customers. AT&T referred to this proposal as "Option 2." AT&T developed Option 2 in response to Section 64.1310(a) and (b) of the Commission's Rules, 47 C.F.R. § 64.1310(a) and (b).<sup>2</sup>

On June 15, 2004, APCC filed an *Ex Parte* objecting to certain of the conditions set forth in AT&T's proposal. On June 30, 2004, AT&T filed its *Ex Parte* to defend

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<sup>1</sup> *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, FCC 03-235, released October 3, 2003 ("Report and Order"). A summary of the Report and Order was published in the Federal Register on November 6, 2003. See 68 Fed. Reg. 62751.

<sup>2</sup> The Commission's new rules became effective July 1, 2004. See FCC Public Notice, DA 04-1309, rel. May 11, 2004.

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and clarify its proposal. In a further effort to respond to industry's concerns, AT&T further clarifies its proposal as follows:

First, as previously acknowledged in its proposal, AT&T will pay on 100% of all delivered payphone compensation calls to the SBR's platform/switch for SBRs on its AT&T Network Connection platform. AT&T clarifies that AT&T will pay for calls delivered to SBRs while Option 2 is in effect whether or not AT&T is reimbursed by the SBR. There will be no takebacks due to non-reimbursement of AT&T by the SBR for SBRs that choose Option 2. However, AT&T reserves the right to implement normal business adjustments, which may include, for example, corrections for duplicate payments to a PSP or paying the wrong PSP based on an incorrect ANI.

Second, AT&T will provide the PSPs commercially reasonable notice when AT&T learns of a SBR's change from Option 2 to Option 1 (SBR pays payphone compensation directly to the PSPs) via the National Payphone Clearinghouse ("NPC") website. AT&T agrees to be responsible for assuring that the notice is posted on the NPC website and that NPC will send a broadcast e-mail, within a commercially reasonable time, to alert the PSPs that a notice of the change has been posted on the NPC website.

Respectfully submitted,

/s/

Martha Lewis Marcus

cc: Chris Libertelli  
Scott Bergmann  
Matt Brill  
Dan Gonzalez  
Jessica Rosenworcel  
Jeff Carlisle  
Bill Dever  
Darryl Cooper  
Denise Coca